MUNICIPAL SECONDARY MARKET DISCLOSURE
INFORMATION COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board and Nationally Recognized Municipal Securities Information Repositories (NRMSIRS) pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

Issuers' and/or Other Obligated Person's Names: California Health Facilities Financing Authority, California Adventist Health System/West (CHFFA)
California Statewide Communities Development Authority
Adventist Health System/West (CSCDA)
Multnomah County Hospital Facilities Authority

CUSIP Numbers:

CSCDA AHS/W 2007		**CHFFA AHS/W 2013 Series A**		**CSCDA 2015A – cont.**		**CSCDA AHS/W 2018 Series A**	
Series A	1307957C5	13033LR33	13033LR90	13080SJD7	13080SJP0	13080SVQ4	13080SWA8
		13033LR41	13033LS24	13080SJE5	13080SJM7	13080SVR2	13080SWB6
CHFFA AHS/W 2009		13033LR58	13033LS32	13080SJF2		13080SVS0	13080SWC4
Series B	13033LBC0	13033LR66	13033LS40			13080SVT8	13080SWD2
		13033LR74	13033LS65	**CHFFA AHS/W 2016 Series A**		13080SVU5	13080SWE0
CHFFA AHS/W 2009 Series C		13033LR82	13033LS57	13032UFT0	13032UGC6	13080SVV3	13080SWF7
13033F8A1	13033F8B9	13033LS73		13032UFU7	13032UGD4	13080SVW1	13080SWG5
				13032UFV5	13032UGE2	13080SVX9	13080SWH3
Multnomah County, OR 2009A		**CSCDA AHS/W 2015 Series A**		13032UFW3	13032UGF9	13080SVY7	13080SWJ9
62551PBQ9	62551PBS5	13080SHX5	13080SJG0	13032UFX1	13032UGG7	130808VZ4	13080SWK6
62551PBR7		13080SHY3	13080SJH8	13032UFY9	13032UGH5		
		13080SHZ0	13080SJJ4	13032UFZ6	13032UGJ1		
AHS/W Taxable 2013		13080SJA3	13080SJK1	13032UGA0	13032UGK8		
07944AC5		13080SJB1	13080SJN5	13032UGB8	13032UGL6		
		13080SJC9	13080SJL9				

Description of Material Event Notice/Financial Information (Check One):

1. _____ Principal and interest payment delinquencies
2. _____ Non-payment related defaults
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties
5. _____ Substitution of credit or liquidity providers, or their failure to perform
6. _____ Adverse tax opinions or events affecting the tax-exempt status of the security
7. _____ Modifications to rights of security holders
8. _____ Bond calls
9. _____ Defeasances
10. _____ Release, substitution or sale of property securing repayment of the securities
11. _____ Rating changes
12. _____ Failure to provide annual financial information as required
13. _____ Other material event notice
14. X Financial information (**not** to be filed with the MSRB): Please check all appropriate boxes

CAFR [1]: a. __ includes Annual Financial Information **X** does not include Annual Information

b. Audited? **Yes** **No X**

Operating Data

Period Covered: 3 months ended March 31, 2019

I hereby represent that I am authorized by the Obligated Person to distribute this information publicly:

Signature: _____

Name: Joseph A. Reppert Title: Executive Vice President and CFO

Employer: Adventist Health System/West

Address: ONE Adventist Health Way

City, State, and Zip Code: Roseville, CA 95661

Voice Telephone Number: 916.406.1377

CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

MARCH 31, 2019

ONE Adventist Health Way
Roseville, CA 95661

Adventist Health

Consolidated Financial Statements (Unaudited)

March 31, 2019

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Adventist Health

Consolidated Balance Sheets
(In millions of dollars)

	March 31 2019 (Unaudited)	December 31 2018
Assets		
Cash and cash equivalents	**$ 529**	$ 700
Short-term investments	**313**	313
Patient accounts receivable	**576**	509
Receivables from third-party payors	**473**	390
Other current assets	**184**	165
Total current assets	**2,075**	2,077
Noncurrent investments	**1,240**	1,243
Other assets	**365**	208
Property and equipment, net	**2,279**	2,288
Total assets	**$ 5,959**	$ 5,816
Liabilities and net assets		
Accounts payable	**$ 307**	$ 297
Accrued compensation and related payables	**261**	277
Liablitities to third-party payors	**28**	39
Other current liabilities	**79**	57
Current maturities of long-term debt	**44**	41
Total current liabilities	**719**	711
Long-term debt, net of current maturities	**2,025**	2,073
Other noncurrent liabilities	**337**	210
Total liabilities	**3,081**	2,994
Net assets without donor restrictions:		
Controlling	**2,794**	2,737
Noncontrolling	**15**	15
Net assets with donor restrictions	**69**	70
Total net assets	**2,878**	2,822
Total liabilities and net assets	**$ 5,959**	$ 5,816

Adventist Health

Consolidated Statements of Operations and Changes in Net Assets
(In millions of dollars)

	Three months ended March 31	
	2019 (Unaudted)	**2018 (Unaudited)**
Revenues and support:		
Patient service revenue	**$ 1,008**	$ 948
Premium revenue	**42**	40
Other revenue	**51**	33
Net assets released from restrictions for operations	**5**	1
Total revenues and support	**1,106**	1,022
Expenses:		
Employee compensation	**508**	443
Professional fees	**125**	105
Supplies	**149**	137
Purchased services and other	**254**	236
Interest	**16**	14
Depreciation and amortization	**44**	39
Total expenses	**1,096**	974
Income from operations	**10**	48
Nonoperating income:		
Investment income	**38**	7
Gain on acquisition and divestitures	**–**	–
Other nonoperating losses	**–**	–
Total nonoperating income	**38**	7
Excess of revenues over expenses from continuing operations	**48**	55
Less: excess of revenues over expenses from noncontrolling interests	**–**	–
Excess of revenues over expenses from controlling interests	**$ 48**	$ 55

Adventist Health

Consolidated Statements of Operations and Changes in Net Assets (continued)
(In millions of dollars)

	Three months ended March 31	
	2019 (Unaudited)	**2018 (Unaudited)**
Net assets without donor restrictions:		
Controlling:		
Excess of revenues over expenses from controlling interests	**$ 48**	$ 55
Net change in unrealized gains and losses on other-than-trading securities	**10**	(13)
Donated property and equipment	**–**	–
Net assets released from restrictions for capital additions	**–**	2
Increase in net assets without donor restrictions before discontinued operations	**58**	44
Loss from discontinued operations	**(1)**	(3)
Increase in net assets without donor restrictions – controlling	**57**	41
Noncontrolling:		
Excess of revenues over expenses from noncontrolling interests	**–**	–
Increase in net assets without donor restrictions – noncontrolling	**–**	–
Net assets with donor restrictions:		
Restricted gifts and grants	**3**	1
Net assets released from restrictions	**(5)**	(3)
Other donor-restricted activity	**1**	–
Decrease in net assets with donor restrictions	**(1)**	(2)
Increase in net assets	**56**	39
Net assets, beginning of year	**2,822**	2,328
Net assets, end of year	**$ 2,878**	$ 2,367

Note A – Organization

Reporting Entity – Adventist Health System/West (Adventist Health) is a California not-for-profit religious corporation that controls and operates hospitals and other healthcare facilities in the western United States (collectively, the "System"). Many of the hospitals now controlled and operated by Adventist Health were formerly operated by various conferences of the Seventh-day Adventist Church (the "Church"). The obligations and liabilities of Adventist Health and its hospitals and other healthcare facilities are neither obligations nor liabilities of the Church or any of its other affiliated organizations.

Note B – Fair Value of Financial Instruments

The carrying value of all financial assets and liabilities approximates fair value except for self-insurance liabilities and long-term debt. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

Other Noncurrent Liabilities – Self-insurance liabilities are based on actuarial estimates. It is not practicable to estimate the fair value of the remaining liabilities due to the uncertainty of the timing of actual payments.

Long-term Debt – The fair value of the System long-term debt, including current maturities, is estimated based on quoted market prices for the same or similar issues or on the current rates offered to the System for debt of the same remaining maturities. The fair value of long-term debt was $2,154 and $2,175 at March 31, 2019 and December 31, 2018, respectively.

Financial Instruments – Fair value is the price that would be received upon sale of an asset in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset. The fair value should be calculated based on assumptions that market participants would use in pricing the asset, not on assumptions specific to the entity.

A fair value hierarchy for valuation inputs has been established to prioritize the valuation inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels determined by the lowest level input considered significant to the fair value measurement in its entirety. These levels are defined as:

Level 1: Quoted prices are available in active markets for identical assets as of the measurement date. Financial assets in Level 1 include U.S. Treasury securities, domestic and international equities and exchange-traded mutual funds.

Level 2: Pricing inputs are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Financial assets in this category generally include government agencies and municipal bonds, asset-backed securities, and corporate bonds.

Note B – Fair Value of Financial Instruments (continued)

Level 3: Pricing inputs are generally unobservable for the assets and include situations where there is little, if any, market activity for the investment. The System had no investments in this level at March 31, 2019.

The fair value of the System's assets measured on a recurring basis at March 31, 2019, consist of the following:

	Quoted Prices in Active Markets for Identical Instruments (Level 1)	Significant Observable Inputs (Level 2)	Fair Value March 31, 2019
Cash and cash equivalents	$ 615	$ -	$ 615
US government treasury obligations	319	-	319
US agency debentures	-	41	41
US agency mortgage-backed securities	-	9	9
Corporate debt securities	-	395	395
Municipal bonds	-	26	26
Mutual funds - fixed income	308	-	308
Mutual funds - equity	333	-	333
Total financial assets stated at fair value	1,575	471	2,046
Commercial real estate			36
Other investments			139
Total cash and investments			$ 2,221

Note C – Investments and Assets Whose Use Is Limited

The following is a summary of investments and assets whose use is limited:

	March 31, 2019	December 31, 2018
Total unrestricted investments	**$ 1,198**	$ 1,188
Assets designated by the Board, primarily for property and equipment	**127**	122
Investments held by trustees for:		
Debt service	**12**	12
Future capital projects	**17**	32
Self-insurance programs	**166**	170
Charitable annuities and other	**8**	8
Total investments held by trustees	**203**	222
Donor-restricted investments for:		
Charitable trusts and life estate tenancies	**17**	17
Other purposes	**8**	7
Total donor-restricted investments	**25**	24
Total Investments	**1,553**	1,556
Less short-term investments	**313**	313
Total investments and assets whose use is limited	**$ 1,240**	$ 1,243

Note D – Investment Income

Investment income includes the following:

	Three Months Ending March 31	
	2019	**2018**
Unrestricted and board-designated funds:		
Interest and dividends	**$ 10**	$ 7
Unrealized gains on equity securities	**28**	-
Trustee-held funds:		
Interest and dividends	**3**	3
Unrealized gains on equity securities	**8**	-
Total investment income	**$ 49**	**$ 10**

For purposes of performance evaluation, management considers investment earnings on bond and self-insurance trustee-held funds to be components of operating income. These earnings are used to pay the operating expenses of interest and insurance and are reported in other revenue. Investment earnings on unrestricted and board-designated funds are components of nonoperating income and are reported on a separate line on the accompanying consolidated financial statements.

Note E – Patient Accounts Receivable

The System manages its receivables by regularly reviewing its patient accounts and contracts and by providing appropriate allowances for contractual reimbursement, policy discounts, charity and uncollectible amounts. These allowances are estimated based upon an evaluation of governmental reimbursements, negotiated contracts and historical payments.

Note F – Patient Service Revenue

Patient service revenue is recognized when services are provided and reported at the estimated net realizable amounts from patients, third-party payors, and others, including estimated retrospective settlements under reimbursement agreements with third-party payors. Retrospective settlements are accrued on an estimated basis in the period the related services are rendered.

Patient service revenue includes revenues from California Medicaid Quality Assurance Fee programs in the amount of $97. Related fees for the programs of $39 are recorded in purchased services and other expenses. These amounts are based on management's current estimate of the amounts that meet the criteria for revenue recognition as both probable and estimable.

Note G – Execution of Agreement with Tulare Local Healthcare District

On August 1, 2018, board members of the Tulare Local Healthcare District voted to lease Tulare Regional Medical Center to the System. While negotiations were pending, The System agreed to loan Tulare Local Healthcare District $10 million to help reopen the hospital. As of March 31, 2019, $4.5 million was the outstanding loan balance. The reached agreement, approved by the bankruptcy court, will allow the System to manage the operations of Tulare Regional Medical Center. Tulare Regional Medical Center re-opened October 15, 2018.

On November 6, 2018, a district vote granted final approval of the agreement between Adventist Health and Tulare Local Healthcare District. The System received approval for ownership change from California Department of Public Health prevention and health Change effective March 15, 2019, initiating the lease for the acute care hospital and other facilities which has a 30-year term, providing for interim early termination options at the Corporation's discretion.

Note H – Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases. The new standard requires lessees to record assets and liabilities on the balance sheet for all leases with terms longer than 12 months. Under this standard, leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, which enhances ASU No. 2016-02, *Leases (Topic 842)*. The guidance in this ASU allows an option for a company to apply the transition provisions of the new standard at its adoption date instead of at the earliest comparative period presented in its financial statements. The ASUs are effective January 1, 2019, and the System elected the practical expedient to initially apply the new leasing standard at the effective date, which among other things, allows the System to carryforward the historical lease classification. In addition, the System elected the modified retrospective transition approach practical expedient to determine the reasonably certain lease term for existing leases.

The System used certain key assumptions at the transition date, including those related the incremental borrowing rate, control of asset, purchase options, renewal options, and variable and embedded leases. The System made an accounting policy election to keep leases with an initial term of 12 months or less off of the balance sheet.

The primary effect of the new standard is to record right-of-use assets and obligations for current operating leases, which has a material impact on the consolidated balance sheets and significant incremental disclosures in the notes to consolidated financial statements. The standard does not have a material impact on the System’s consolidated results of operations or statement of cash flows.

The System leases certain locations, office space, land, and equipment. Assets held under finance leases are included in Property and Equipment. Operating leases are expensed on a straight-line basis over the life of the lease beginning on the date the System takes possession of the property. Lease agreements are reviewed to determine if there is a lease or implied lease from the agreement. Any direct and indirect costs for the leases are expensed and are immaterial for the System.

At lease inception, the System determines the lease term by assuming the exercise of those renewal or termination options that are reasonably assured. The exercise of lease renewal or termination options are at the System’s sole discretion. The lease term is one of the criteria used to determine whether a lease is finance or operating and is used to calculate straight-line rent expense. The depreciable life of assets and

Note H – Leases (continued)

leasehold improvements are limited by the expected lease terms, unless there is a transfer of title or purchase option reasonably certain of exercise.

Some lease agreements include rental payments based on annual percentage increases and others include rental payments adjusted periodically for inflation. Certain leases require us to pay real estate taxes, insurance, maintenance, and other operating expenses associated with the leased premises. These expenses are classified in purchased services and other expenses, consistent with similar costs for owned locations. The System's lease agreements do not contain any material residual value guarantees or material restricted covenants.

The adoption of the standard resulted in recognition of additional net lease assets and lease liabilities of approximately $152 million and $154 million as of March 31, 2019.

The new standard will not have a notable impact on the System's liquidity and will have no impact on the System's debt-covenant compliance under the System's current agreements.

Most of the System's leases do not provide an implicit rate. The System uses the incremental borrowing rate based on the information available at the lease commencement date to determining the present value of lease payments. The System used the incremental borrowing rate at December 31, 2018, for operating leases that commenced prior to that date. Finance leases are immaterial and are not reflected within the following tables:

	Classification	**March 31, 2019**
Leased assets	Other assets	$ 152
Lease liabilities		
Current	Other current liabilities	$ 28
Noncurrent	Other noncurrent liabilities	$ 126
Total lease liabilities		$ 154

	Classification	**Three months ended March 31, 2019**
Operating lease cost	Purchase services and other	$ 13

Note H – Leases (continued)

Operating lease payments include payments relating to options to extend lease terms that are reasonably certain of being exercised. Excluded are any legally binding lease payments signed leases not yet commenced, which are immaterial for the System. Minimum lease payments for operating leases with initial terms in excess of one year are as follows for the period ended March 31, 2019:

Maturity of Lease Liabilities	**Operating Leases**
2019	$ 31
2020	30
2021	20
2022	17
2023	14
Thereafter	82
Total lease payments	$ 194

Lease Term and Discount Rate	**Three months ended March 31, 2019**
Weighted average remaining lease term (years)	9.90
Weighted average discount rate	4.04%

Cash paid for amounts included in the measurement of lease liabilities of $8 is included in operating cash flows.

Adventist Health System/West
Municipal Secondary Market Disclosure
March 31, 2019
(In millions of dollars)

The following information is provided pursuant to Section 3(b) of the Continuing Disclosure Certificate executed by the System in connection with the issuance of:

California Statewide Communities Development Authority Insured Revenue Bonds, 2007 Series A
California Health Facilities Financing Authority Revenue Bonds, 2009 Series B and C
The Hospital Facilities Authority of Multnomah County, Oregon Bonds, 2009 Series A
California Health Facilities Financing Authority Revenue Bonds 2013 Series A
Adventist Health System/West Taxable Bonds, Series 2013

Section 3(b)(2) Long-term debt disclosure:

On March 31, 2019, the long-term debt of the Members of the Obligated Group (including current maturities) totaled $2,049. Of that amount $588 was variable interest rate debt, with the remaining $1,461 being fixed interest rate debt.

Section 3(b)(3) Statement regarding accounts receivable liens:

During the year ended March 31, 2019 no Member of the Obligated Group has granted a Lien on accounts receivable nor sold any accounts receivable as permitted under the Master Indenture.

UNAUDITED

Management Discussion and Analysis of Financial Condition and Results of Operations

Quarter End: March 31, 2019

AdventistHealth

Adventist Health Overview

Adventist Health System/West, doing business as Adventist Health (the "Corporation"), is a faith-based, nonprofit corporation that leads an integrated health system serving communities in California, Hawaii, Oregon and Washington (collectively with the Corporation, the "System"). The workforce of the System includes approximately 22,000 employees, 7,500 medical staff physicians, and 3,700 volunteers. Founded on Seventh-day Adventist health values, the System provides compassionate care in 21 hospitals, approximately 280 clinics (physician clinics, hospital-based clinics, and rural health clinics), 14 home care agencies, nine hospice agencies, one fully-owned continuing care retirement community and four joint-venture retirement centers.

The System emphasizes wellness and prevention of disease, in keeping with the historic Seventh-day Adventist health care tradition of integration of physical, mental and spiritual care. The System is committed to integration of hospitals, physicians and other providers in a manner that best serves and cooperates with its communities, both in terms of commitment to quality and a demonstrated ability to provide cost-effective care in an environment increasingly driven by competitive market forces.

The System operates in four states in the western United States. The map on the next page of this analysis shows the location of the Corporation's headquarters and the System's 21 owned or leased hospital facilities. The corporate office is centrally located in Roseville, California. Outside of California, the System includes one hospital in Hawaii and two in Oregon. While the map does not show the location of each of the System's 280 clinics, the geographic area served by the System's clinics, as well as its hospital facilities, is depicted in the map.

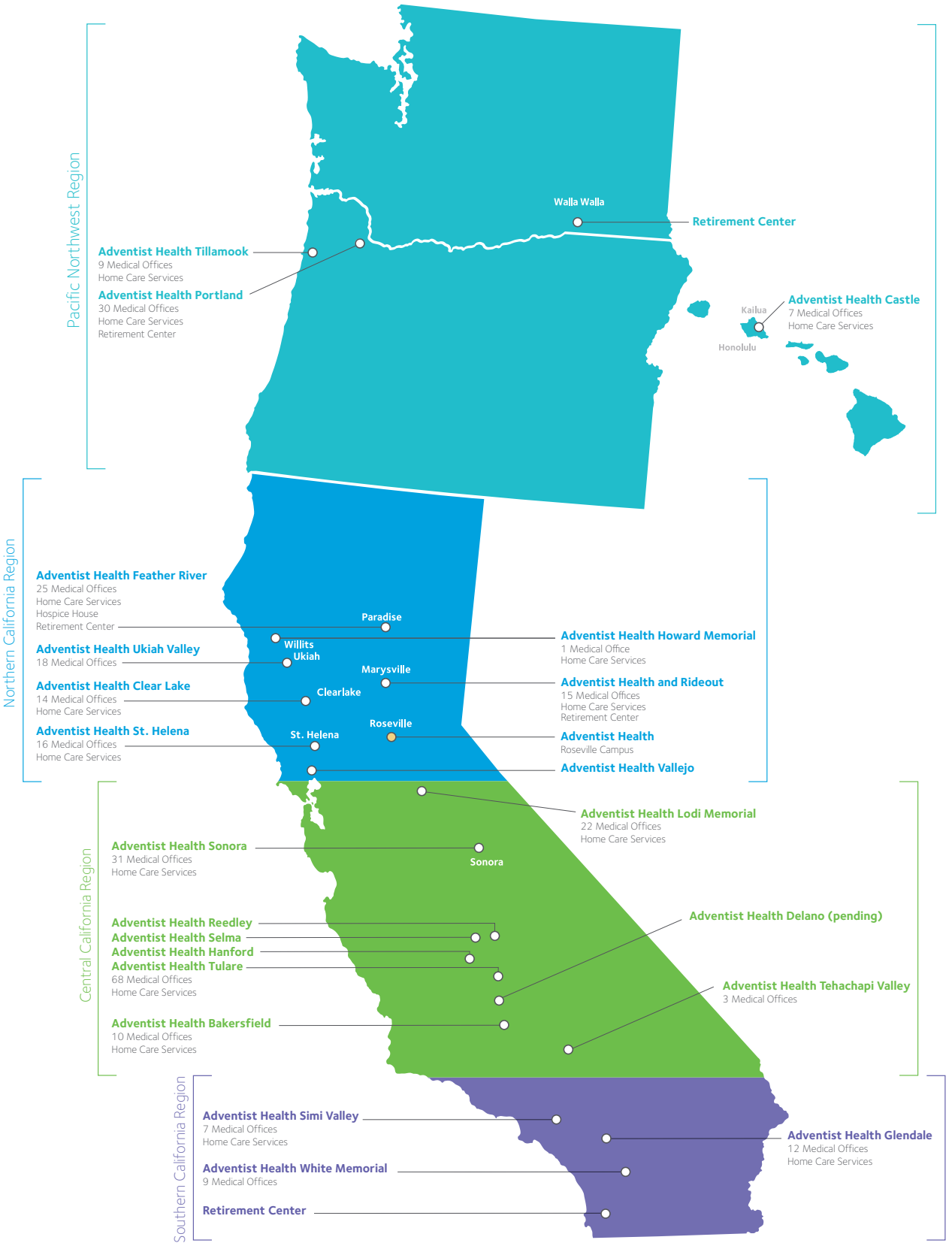
Strategy and Mission

As an extension of the System's core business model, the System announced its ONE Adventist Health initiative in July 2016. ONE Adventist Health seeks to align, centralize and clarify leadership functions within the System and foster mission expansion, growth and development. A key component of ONE Adventist Health is the System's strategic plan, which reaffirms the System's dedication to the communities it serves with special attention to underserved populations and seeks to increase the number of people served while prioritizing faith-based, whole-person health enlivened by the Seventh-day Adventist heritage. The strategic plan is updated annually.

Adventist Health with its engaged physicians, workforce and community, will transform the health (including experience, outcomes and status) for its defined populations, especially the underserved. It will partner a fully integrated, affordable value-based network of services to serve one million lives with the ability to manage and leverage information in a full-risk payment environment. Adventist Health's presence in Western states, including rural markets, where it has an advantageous, competitive position, enables it to expand its mission and double the number of people served by operating at top-quartile performance. Adventist Health's priority is faith-based, whole-person health enlivened by its Seventh-day Adventist heritage.

Through its mission, Adventist Health is called to transform lives and communities. It is building on five years of successful standardization, modernization and optimization efforts which have positioned them to take responsibility for creating profound changes in its community's wellbeing. As agents of hope, Adventist Health will create lasting impact in people's whole lives, advocate for changes to healthcare and social policy, and demonstrate radical love to its patients, communities and associates.

Adventist Health Overview (Continued)



Organization Structure

In 2014, because of the growing number of facilities within the System and the geographic dispersion of such facilities, the System organized its management and operations into four regions: the Northern California Region, the Central California Region, the Southern California Region and the Northwest Region. This allows the System to fully implement system-wide initiatives, including achieving greater alignment among the operating facilities, physician and payor components of health care throughout the System, in order to improve the continuum of care.

The four regions are the operating units of the System, and each region is overseen by a regional president, who is a member of the System's executive leadership team. Additionally, the System has regional finance officers and regional medical officers, among other regional positions. The hospitals and other facilities within each region, while managed on a day-to-day basis at the local level, are managed on a collective basis at the regional level, with operational and financial best-practices being established and monitored by regional management for all facilities within a region. The Corporation provides a number of centralized services and standardized processes to the regions. These include strategic direction, executive management, legal services, financial management and treasury services, supply chain, clinical engineering, administration of retirement plans and employees benefit programs, insurance, risk management, information technology, population health care transformation initiatives, marketing and communications, mission integration, care delivery, and managed care contracting.

Adventist Health System West

Pacific Northwest	Northern California	Central California	Southern California
Adventist Health Portland	Adventist Health Feather River	Adventist Health Sonora	Adventist Health Glendale
Adventist Health Tillamook	Adventist Health Howard Memorial	Adventist Health Lodi Memorial	Adventist Health Simi Valley
Adventist Health Castle	Adventist Health Ukiah Valley	Adventist Health Reedley	Adventist Health White Memorial
	Adventist Health and Rideout	Adventist Health Bakersfield	
	The Freemont-Rideout Health Group	Adventist Health Hanford	
	United Com-Serve	Adventist Health Selma	
	Adventist Health St. Helena	Adventist Health Tehachapi Valley	
	St. Helena Center for Behavioral Health	Adventist Health Tulare	
	Adventist Health Clearlake	Adventist Health Delano (Pending)	

Obligated Group Members

Facilities Under Their Respective Group Member

Other System-affiliated corporations included or to be included in the System's audited consolidated financial statements. These are Non-Member Entities

Affiliation Activity

Tulare Regional Medical Center

On August 1, 2018, board members of the Tulare Local Healthcare District voted to lease Tulare Regional Medical Center to Adventist Health. While negotiations were pending, Adventist Health agreed to loan Tulare Local Healthcare District $10 million to help reopen the hospital. As of December 31, 2018, $9.6 million of this loan had been drawn. The reached agreement, approved by the bankruptcy court, will allow Adventist Health to manage the operations of Tulare Regional Medical Center. Tulare Regional Medical Center re-opened October 15, 2018. On November 6, 2018, a district vote granted final approval of the agreement between Adventist Health and Tulare Local Healthcare District. Change of ownership was granted on March 15, 2019, initiating the lease for the acute care hospital and other facilities which has a 30-year term, providing for interim early termination options at the Corporation's discretion.

Delano Regional Medical Center

Delano Regional Medical Center (DRMC) is expected to join Adventist Health in mid-2019 through membership transfer. DRMC selected Adventist Health through a request for proposal process, executing a definitive agreement on January 4, 2019. DRMC chose Adventist Health because of mission alignment and the resources and expertise of Adventist Health to deliver more coordinated care to its agricultural service area. DRMC has been recognized as Community Partner of the Year by the Central Valley Farmworkers' Foundation and opened a $20 million outpatient pavilion in 2018. Their heritage of serving their agricultural communities and improving access to care gives Adventist Health a strong foundation from which to expand its mission. The membership transfer is pending approval by the California Attorney General. Should the transaction be approved, Adventist Health will evaluate when to bring DRMC into the obligated group.

St. Joseph Health System

On April 23, 2018, Adventist Health, and St. Joseph Health System, a California nonprofit public benefit corporation ("SJHS"), announced an agreement to integrate clinical activities and services in six Northern California counties. This partnership is expected to be carried out through a new joint operating company. If consummated, this new joint operating company will integrate the facilities, services and clinics associated with five hospitals and home health services affiliated with Adventist Health and four hospitals, home health, and hospice care services affiliated with SJHS. This partnership will allow Adventist Health and SJHS to preserve their respective religious identities and allow the new joint operating company to operate and manage the nine hospitals, while Adventist Health and SJHS maintain ownership of their respective assets. Closing of the transaction is currently expected to occur in 2019, but is subject to applicable regulatory approvals. No assurance can be given when and if any partnership will be consummated.

Ratings and Outlook Change

Effective August 10, 2018, Fitch Ratings upgraded its long-term rating on various bonds of the Corporation to 'A+' from 'A'. The outlook on the A+ rating is Stable. The 'A+' Long-Term reflects Fitch Ratings' view of Adventist Health's position as the leading acute care provider in multiple growing markets, supporting midrange revenue defensibility, despite its comparatively higher levels of Medicaid and self-pay volumes. Adventist Health's consistently improved operations and growing balance sheet strength were also considered.

Key Operating Metrics: Volume Trends

During the three months ended March 31, 2019, the System's patient days increased by 2.6%, observation stays increased by 18.1% and emergency department visits increased by 4.6% from the same period in the previous year. These volume trends include the acquisition of Adventist Health and Rideout, which was effective on April 1, 2018. On a same store basis, the System's patient days decreased by 3.9%, observation stays increased by 23.0% and emergency department visits decreased by 0.9% from the same period in the previous year.

UTILIZATION STATISTICS

Three Months Ended March 31,	2019	2018
Discharges	34,025	33,447
Patient Days	154,078	150,189
Observation Stays	4,704	3,984
Outpatient Procedures	935,477	955,929
Emergency Department Visits	186,638	178,420
Inpatient Surgeries	6,437	6,652
Outpatient Surgeries	12,692	12,878
Average Length of Stay (in days)	4.5	4.5
Outpatient Revenues as % of Gross Patient Revenue	44.9%	45.3%

Key Operating Metrics: Total Operating Revenue and Income from Operations

Total operating revenue grew 8.2% and total operating expenses grew 12.5% for the three months ended March 31, 2019 as compared to the previous year. On a same store basis, total operating revenue grew 1.4% and total operating expenses grew 5.6% for the three months ended March 31, 2019 as compared to the previous year. Income from operations as a percent of total operating revenue was 0.9% and 4.7% for the three months ended March 31, 2019 and March 31, 2018, respectively. On a same store basis, income from operations as a percent of total operating revenue was 1.4% for the three months ended March 31, 2019.

TOTAL OPERATING REVENUE AND INCOME FROM OPERATIONS

Three Months Ended March 31,	2019	2018
Total operating revenue	$1,106	$1,022
Total operating expenses	$1,096	$974
Income from operations	$10	$48
EBIDA	$70	$101
Income from operations as a percentage of total operating revenue	0.9%	4.7%
EBIDA as a percentage of total operating revenue	6.3%	9.9%

Key Operating Metrics: Total Nonoperating Income

Investment income grew by 42.9% for the three months ended March 31, 2019 as compared to the previous year.

NONOPERATING INCOME

Three Months Ended March 31,	2019	2018
Investment income	$10	$7
Unrealized gains on equity securities	$28	-
Nonoperating income	$38	$7

Balance Sheet Ratios

Cash and unrestricted investments increased by $268 for the twelve months ended March 31, 2019. Days cash on hand increased to 158.6 at March 31, 2019 from 152.7 at March 31, 2018. Long-term debt to capitalization decreased to 41.9% at March 31, 2019 from 44.0% at March 31, 2018.

BALANCE SHEET RATIOS

Three Months Ended March 31,	2019	2018
Total cash and unrestricted investments	$1,854	$1,586
Days cash on hand	158.6	152.7
Long-term debt to capitalization	41.9%	44.0%